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Statement of Senator Chuck Grassley, Ranking Member of the Committee on Finance,
on the Importance of Passing Trade Promotion Authority Today
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Last Saturday the House of Representatives took an historic vote and passed the Conference Report on the Trade Act of 2002. It's time for the Senate to do the same. The *Trade Act of 2002* contains several pieces of critical legislation which need to be enacted into law as soon as possible. Let me elaborate on two of these.

The first is the *Andean Trade Promotion and Drug Eradication Act*. This bill will help eradicate drug trafficking in the Andean nations by helping to create new employment opportunities for the citizens of Bolivia, Ecuador, Colombia and Peru. This is a vital piece of legislation for our Andean neighbors. But time is running short to get it passed. Allow me to share an excerpt from a letter I recently received the three Foreign Ministers of Peru, Colombia, and Ecuador and the Charge de Affairs of Bolivia.

"The expiration of ATPA last December, combined with the current financial crisis in several Latin American countries, has deepened the economic slowdown in the Andean region and critical foreign investment has declined in the face of this new climate of uncertainty."

The letter continues: "Unemployment has reached double digits and widespread underemployment looms at 30%. Andean export industries are losing market share in the U.S. to other foreign competitors, while facing tariff hikes as high as 20% on products once shipped duty-free. Drug traffickers and terrorists are taking advantage of social unrest, posing a problem for regional security. We ... urge the Congressional leadership and the Administration to act now, before the August legislative recess, and approve the Andean Trade Promotion and Drug Eradication Act, as further delay in enacting this legislation may threaten the democracies in the region."

Clearly, if we fail to move this bill before the August recess, it will be a terrible economic and political blow to an already troubled region of the world. We'll be turning our backs on our Andean neighbors in their time of need. We need to get this bill passed.

The second important bill which needs to be passed is the *Bipartisan Trade Promotion Authority Act*, which is also part of the *Trade Act of 2002*. This bill provides the President with the authority to open key new markets for U.S. products, especially agricultural products. Ambassador Zoellick recently put forth a strong proposal during multilateral negotiations at the World Trade Organization on farm trade that, if implemented, would greatly benefit the American farmer. But he cannot move forward without trade negotiating authority from Congress. The fact is that TPA is one of the keys to our economic recovery. As Chairman Greenspan recently testified, our economy is on the right track, but the Congress can do more to ensure our long-term growth. One of the things Congress can do is to promote trade expansion. I believe that TPA is critical to that end.

If the Senate acts to restore TPA to the President this week, it will help boost investor confidence in the United States and enhance our prospects for long-term growth. With TPA, the United States will once again be able to play a leading role in multilateral negotiations such as the World Trade Organization. We will be able to spur new momentum toward creating a Free Trade Area of the Americas, a goal shared by every democratically elected country in the Western Hemisphere. Passing TPA will open a new era of economic prosperity for millions of people around the world, and help to ensure a bright future for our nation.

As a recent editorial in The Washington Post said, "It is a scandal that the U.S. president has had to do without trade negotiation authority since it lapsed eight years ago. With luck this scandal may be about to end." But we need more than luck. We need the active support of the Senate Majority Leader Tom Daschle to bring this bill up for a vote before the August recess. If this bill is not passed this week, it will send a terrible message to U.S. investors and to our Andean neighbors. Every day of delay is another day of lost opportunity and lost confidence in the future. Our nation and the world cannot afford to wait. The time to take bold action to help our economy is now. The Andean bill and TPA are too important to our economy to be held hostage to other issues. To get our economy growing again quickly we need action. I hope that's what we'll see from the Democratic Majority Leader in the next few days.